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TAGS: [ETRD](#) [PREL](#) [PGOV](#) [HR](#) [BK](#) [SY](#)
SUBJECT: AMBASSADOR PRESSES CROATIAN FOREIGN MINISTER ON
BOSNIA IN CEFTA

REF: A. ZAGREB 1467

[1](#)B. ZAGREB 1400

Classified By: Ambassador Robert A. Bradtke for reasons 1.4 (b) and (d)

[1](#)1. (C) The Ambassador told FM Kolinda Grabar-Kitarovic December 14 that there is a lot of concern in Washington about the negotiations between Croatia and Bosnia on the Central European Free Trade Area. The USG hopes the GOC will find some way to reach a compromise that will allow BiH to sign CEFTA by the December 19 deadline, he added; it is important to consider not just the economic implications of the deal, but the political ones as well: a successful CEFTA including BiH will make an important contribution to that country's stability and integration with its neighbors.

[1](#)2. (C) Grabar-Kitarovic replied that the GOC does really want to see BiH included in CEFTA; after all, PM Sanader was the regional politician who pushed hardest for the expansion of CEFTA in the fall of 2005. That said, there are two key difficulties facing the GOC vis a vis the Bosnia negotiations: 1) the GOC does not want to reach an agreement that abandons free trade principles and imposes a more restrictive regime than the existing Croatia-BiH Free Trade Agreement; and 2) during an election year the GOC cannot be seen sacrificing Croatia's interests by giving in to foreign pressure from Brussels or elsewhere on this issue.

[1](#)3. (C) The GOC is still seized with the importance of including Bosnia in CEFTA, Grabar-Kitarovic said; she met with PM Sanader yesterday to discuss the issue. The PM is in Brussels today and will discuss CEFTA again with EU Commissioner Mandelson, she noted.
BRADTKE